No. 4

13 June 1977

UPDATE ON COMMUNITY REORGANIZATION

The study effort generated by the Presidential Directive which has been looking into possible alternatives for making the Intelligence Community more efficient and effective is about completed. The issues will now go to the National Security Council for debate and discussion. The study presents a wide range of options which primarily address the Intelligence Community and my responsibilities as Director of that Community. A key issue is whether the authority of the DCI over other elements of the national intelligence program should be strengthened in any way. There is, of course, consideration being given to separating the two jobs of DCI and Director of the CIA. completing what has already been done in part through Executive Order 11905 (which specified that the Director of CIA should delegate as much as possible the running of the CIA to the DDCI). Whether this will happen or not I cannot predict, but I can say that one way or the other the CIA must and will remain a principal intelligence mechanism of the DCI.

Since I continue to hear some apprehension about the prospects for change as a result of these studies, I want again to reassure all of our employees that I believe the studies reinforce the importance of the component activities in the CIA to our Intelligence Community and our country. One final observation on the matter. As I have stated, only options on organizational changes now exist, and we are some time from a decisionmaking point. Despite this, I hear rumors, from time to time, that this unit or that unit of CIA will be physically relocated to an entirely different location, or that units will be disestablished, etc. I urge you to disregard all such rumors. Let me assure you that we are nowhere near any such detailed discussions or decisions. I seriously doubt that there will be any relocations of more than a few people as a result of this exercise, but I can certainly assure you that none are contemplated at this time. I will keep you as fully posted as possible on this entire question.

PROJECT OUTREACH

I'm very grateful to all the Agency employees who cooperated so successfully with CBS in their filming for "Sixty Minutes." Dan Rather and his crew were very high in praise of the spirit of cooperation which they had while here. In turn, CBS was very considerate of our requirements for security, and we are confident that security has not been breached by this filming. We hope the show will be viewed in late June, and we'll keep you posted.

There was an unfortunate leak in the plan I asked to have explored about arranging for a limited amount of public visiting sponsored by Members of Congress. As a result of this, we have been besieged by questions from the press, and Herb Hetu has responded with the facts as they presently stand: our plans are not firm; the details of how this might be worked out have yet to be staffed and presented to me for a decision; and that some of the wild specific facts mentioned, such as 8,000 visitors a day, are totally beyond any possibility of consideration. We are looking at this additional means of reaching out to the public. I believe that our previous steps in declassifying publications which could be declassified without harm, and in responding to media inquiries more forthrightly, and permitting CBS to film have met with good response. I believe they help to reassure the general public that our activities are supporting our country well in a way that deserves public approbation, as they do. The suspicions that have been generated in our country over the past few years about intelligence have their foundation in a lack of knowledge of what we do, why, and how we do it. To the extent that we can inform the American people about our activities within the limits of security, we can lift some of that misunderstanding and suspicion and ensure future public support for our vital function.

STATUS OF THE 1978 BUDGET

Shortly after my confirmation, I appeared before several Congressional oversight committees to present and defend the 1978 budgets for the National Foreign Intelligence Program and for CIA. The hearings on CIA were extremely detailed, covering two days each in the cases of the Senate Select Committee and the House Appropriations Committee, and I was supported by Hank Knoche and by the four Deputies. In addition, the Senate Select Committee subsequently held two days of public hearings on the question of declassification and release of a single figure for the national intelligence budget.

The Congressional hearings phase of the budget cycle is now completed, and Congress has begun to act. We have received a classified authorization letter from the Senate Select Committee that limits the amounts available to us in certain phases of our activity; some of these limits will be troublesome to live with, but none are so severe as to interfere greatly with essential activities

or force any personnel reductions. We expect to receive another classified letter, this one from the House Appropriations Committee, in mid-June. It will convey in detail the actions taken by that Committee in the appropriation phase of the process. Once we have the House letter in hand, we will be able to make any necessary appeal. In due course, the committees of both Houses of Congress will meet in conference, and we will have a further opportunity to express our views. Thus, it probably will not be until early September that the 1978 budget will be final. However, the atmosphere of the hearings has been cordial throughout, and I am confident that Congress will provide us the resources that we need to continue doing our job well.

DIRECT COMMUNICATIONS WITH THE DIRECTOR

One of the MAG groups with whom I've been meeting recently made the suggestion that I reemphasize my open-ended invitation for any employee of the Agency to send me suggestions directly and privately. I am happy to receive such suggestions, and I will read all of them personally. I will not necessarily respond to those which are signed, but I will certainly give each careful consideration. Such communications should, of course, be matters of Agency-wide concern, not individual grievances or complaints for which there are established and appropriate procedures.

STANSFIELD TURNER

Director